

Employee Monthly Premium	PPO
Employee	\$91.26
Employee + child (ren)	\$164.42
Employee + spouse	\$191.83
Employee + family	\$292.31

PPO Plan	In-network	Out-of-network
Annual deductible individual	\$500	\$1,000
Annual deductible family	\$1,000	\$2,000
HRA contribution individual	N/A	N/A
HRA contribution family	N/A	N/A
Annual out-of-pocket maximum individual	\$1,500	\$3,000
Annual out-of-pocket maximum family	\$3,000	\$6,000
<b>You Pay...</b>		
Co-insurance	20%	50%
Office visits	\$20	N/A
Office Visit Specialist	\$25	N/A
**Preventive Care	No cost	No cost
Diagnostic	20% after deductible	50% after deductible
Hospital care	20% after deductible	50% after deductible
Urgent care	\$35	50% after deductible
Emergency room visit	\$250	\$250
<b>Prescription drugs</b>		
Generics (retail, 30-day)	\$10	
Generics (mail order, 90-day)	\$20	
Preferred brand	\$30	
Non-preferred brand	\$50	
		N/A

\*\*Only certain services apply

## Highlights of the new PPO Plan

We hope you have a better understanding of what a PPO is and how it works.

A few things you may want to remember when considering the City's PPO plan are:

- Co-Pays are not applied toward your deductible or out-of-pocket maximum.
- Prescription drug costs do not apply toward the deductible or out-of-pocket maximum.
- Co-insurance is paid by the member at 20% until their out-of-pocket maximum is reached.
- The cost of an Emergency Room Visit is \$250. This co-pay is waived if the member is admitted to the hospital.

Look for more information in the coming weeks on benefits. In the mean time, if you have any questions concerning a PPO Plan, please send them to:  
[benefits@cityhall.murfreesborotn.gov](mailto:benefits@cityhall.murfreesborotn.gov).

## CITY OF MURFREESBORO

### Benefit News Flash

## Understanding PPO Plans & How They Work



**200 YEARS**  
1811-2011



**MEDICAL BENEFIT OPTION #1**



## **New Preferred Provider Organization (PPO) Plan**

What is a PPO Plan? That is a question many have been asking themselves. The PPO health plan is an increasingly common type of managed care health insurance. PPO health insurance plans normally include an annual deductible. This deductible represents the amount you must pay out-of-pocket before medical coverage kicks in.

With the City's PPO plan that will take effect January 1, 2013, there will be some medical visits that require you to pay only a co-pay toward the entire bill. These include routine office visits and the cost for most prescription drugs.

A PPO health insurance plan allows you to see any doctor of your choice, allowing you more control. Visits are most affordable if you stay within the network of physicians that work with your PPO medical plan. PPO plans are able to offer services at a reduced rate because of the increased patient volume

brought by the network, meaning that you will only owe the negotiated discounted rate. Unlike other types of managed care, you may still receive partial reimbursement if you choose various services that are out-of-network but you will have to shoulder more of the cost than you would if you saw an in-network physician.

The chart labeled Exhibit #1 outlines some of your costs under the City's new PPO plan. Note that the deductible and out-of-pocket costs are higher for out-of-network services.

You should also pay particular attention to the co-pay amount for the emergency room. Should a member be admitted to the hospital, that emergency room co-pay will be waived.

Soon you will be receiving information on a second medical benefit option, Health Reimbursement Arrangement (HRA), and how it will work. This will help you compare both options the City has to offer so that you can make an informed decision for you and your family concerning health benefits.



## **Exclusive Provider Organization (EPO) VS Preferred Provider Organization (PPO)**

### **What's the Difference?**

If you have been on the City's EPO Plan in the past, you may be wondering how this new PPO Plan differs from what you are used to experiencing. Let's first discuss the similarities and differences between the two plans. Just like the EPO Plan, the new PPO plan requires members to pay a co-pay for doctor visits. Also the same are the pharmacy tiers; \$10 for generic drugs, \$30 for name brand drugs and \$50 for preferred brand drugs. Just like the current EPO plan, co-pay charges and pharmacy charges are not applied toward the deductible or out-of-pocket maximums. One major difference in the EPO plan and the new PPO Plan are laboratory and diagnostic testing such as blood draws, X-rays and MRIs. There is currently no charge to the member for this service under the EPO Plan. With the new PPO plan the member will pay for these services until they reach their deductible and/or out-of-pocket maximum. While this practice is different, research shows this practice to be common with other local governments.